

Representative Rebecca D. Lockhart proposes the following substitute bill:

LOCAL DISTRICT AMENDMENTS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca D. Lockhart

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies provisions related to local districts that provide transportation service.

Highlighted Provisions:

This bill:

- ▶ removes a restriction against a local district providing the same service as another political subdivision if the service the district provides is transportation; and
- ▶ prohibits transit district sales and use tax revenues already pledged to pay bonded indebtedness from being paid to or used by a later created public transit district.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-2-202, as last amended by Chapter 257, Laws of Utah 2003

59-12-501, as last amended by Chapter 253, Laws of Utah 2006

59-12-502, as last amended by Chapters 253 and 329, Laws of Utah 2006



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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **17B-2-202** is amended to read:

**17B-2-202. Local district may be created -- Services that may be provided --
Limitations -- Name.**

(1) A local district may be created as provided in this part to provide within its boundaries service consisting of:

- (a) the operation of an airport;
- (b) the operation of a cemetery;
- (c) the operation of a system for the generation or distribution of electricity;
- (d) the operation of a system for the transmission of natural or manufactured gas that is:
 - (i) connected to a gas plant, as defined in Section 54-2-1, of a gas corporation, as defined in Section 54-2-1, that is regulated under Section 54-4-1; and
 - (ii) to be used to facilitate gas utility service within the district if such gas utility service is not available within the district prior to the acquisition or construction of such a system;
- (e) fire protection, paramedic, and emergency services;
- (f) garbage collection and disposal;
- (g) health care;
- (h) the operation of a library;
- (i) abatement or control of mosquitos and other insects;
- (j) the operation of parks or recreation facilities;
- (k) the operation of a sewage system;
- (l) street lighting;
- (m) the construction and maintenance of curb, gutter, and sidewalk;
- (n) transportation;
- (o) the operation of a system for the control of storm or flood waters;
- (p) the operation of an irrigation water system;
- (q) the operation of a culinary water system; or
- (r) the underground installation of an electric utility line or the conversion to

57 underground of an existing electric utility line.

58 (2) For purposes of this section:

59 (a) "Operation" means all activities involved in providing the indicated service
60 including acquisition and ownership of property reasonably necessary to provide the indicated
61 service and acquisition, construction, and maintenance of facilities and equipment reasonably
62 necessary to provide the indicated service.

63 (b) "System" means the aggregate of interrelated components that combine together to
64 provide the indicated service including:

65 (i) for a sewage system, collection and treatment; and

66 (ii) for an irrigation or culinary water system, collection, retention, treatment, and
67 distribution to either the end user or another that in turn distributes to the end user.

68 (3) (a) Except as provided in Subsection (3)(b), a local district may be created to
69 provide and may after its creation provide no more than two of the services listed in Subsection
70 (1).

71 (b) Notwithstanding Subsection (3)(a), a local district may be created to provide and
72 may after its creation provide services consisting of:

73 (i) the operation of some or all of the components of a sewage system;

74 (ii) the operation of some or all of the components of an irrigation water system; and

75 (iii) the operation of some or all of the components of a culinary water system.

76 (4) (a) Except as provided in Subsection (4)(b), a local district may not be created to
77 provide and may not after its creation provide to an area the same service already being
78 provided to that area by another political subdivision.

79 (b) For purposes of Subsection (4)(a), a local district does not provide the same service
80 as another political subdivision if:

81 (i) it operates a component of a system that is different from a component operated by
82 another political subdivision but within the same:

83 [~~(i)~~] (A) sewage system;

84 [~~(ii)~~] (B) irrigation water system; or

85 [~~(iii)~~] (C) culinary water system[~~;~~]; or

86 (ii) the service the district provides is transportation.

87 (5) Except for a local district in the creation of which an election is not required under

88 Subsection 17B-2-214(3)(c), the area of a local district may include all or part of the
89 unincorporated area of one or more counties and all or part of one or more municipalities.

90 (6) The name of a local district:

91 (a) may include words descriptive of the type of service provided by the local district;
92 and

93 (b) may not include the name of a county or municipality, unless the service the district
94 provides is transportation.

95 Section 2. Section **59-12-501** is amended to read:

96 **59-12-501. Public transit tax -- Base -- Rate -- Voter approval.**

97 (1) (a) (i) In addition to other sales and use taxes, any county, city, or town within a
98 transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act,
99 may impose a sales and use tax of up to .25% on the transactions described in Subsection
100 59-12-103(1) located within the county, city, or town, to fund a public transportation system.

101 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
102 under this section on:

103 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
104 are exempt from taxation under Section 59-12-104; and

105 (B) any amounts paid or charged by a seller that collects a tax under Subsection
106 59-12-107(1)(b).

107 (b) For purposes of this Subsection (1), the location of a transaction shall be
108 determined in accordance with Section 59-12-207.

109 (c) (i) A county, city, or town may impose a tax under this section only if the governing
110 body of the county, city, or town, by resolution, submits the proposal to all the qualified voters
111 within the county, city, or town for approval at a general or special election conducted in the
112 manner provided by statute.

113 (ii) An election under Subsection 17B-2-512(3)(a)(ii) approving the annexation of an
114 area to a public transit district or local district and approving for that annexed area the sales and
115 use tax authorized by this section satisfies the election requirement of Subsection (1)(c)(i) for
116 the area to be annexed to the public transit district or local district.

117 (2) (a) If only a portion of a county is included within a public transit district, the
118 proposal may be submitted only to the qualified voters residing within the boundaries of the

119 proposed or existing public transit district.

120 (b) Notice of any such election shall be given by the county, city, or town governing
121 body 15 days in advance in the manner prescribed by statute.

122 (c) If a majority of the voters voting in such election approve the proposal, it shall
123 become effective on the date provided by the county, city, or town governing body.

124 (3) This section may not be construed to require an election in jurisdictions where
125 voters have previously approved a public transit sales or use tax.

126 (4) Revenues from a sales and use tax imposed under this section that are pledged
127 before April 30, 2007 to pay for bonded indebtedness may not be paid to or used by a later
128 created public transit district that includes within its boundaries the same area as the county,
129 city, or town that has imposed a sales and use tax under this section.

130 Section 3. Section **59-12-502** is amended to read:

131 **59-12-502. Additional public transit tax for expanded system and fixed guideway**
132 **and interstate improvements -- Base -- Rate -- Voter approval.**

133 (1) (a) (i) In addition to other sales and use taxes, including the public transit district tax
134 authorized by Section 59-12-501, a county, city, or town within a transit district organized
135 under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and
136 use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the
137 county, city, or town, to fund a fixed guideway and expanded public transportation system.

138 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
139 under this section on:

140 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses
141 are exempt from taxation under Section 59-12-104; and

142 (B) any amounts paid or charged by a seller that collects a tax under Subsection
143 59-12-107(1)(b).

144 (b) For purposes of this Subsection (1), the location of a transaction shall be
145 determined in accordance with Section 59-12-207.

146 (c) (i) A county, city, or town may impose the tax under this section only if the
147 governing body of the county, city, or town submits, by resolution, the proposal to all the
148 qualified voters within the county, city, or town for approval at a general or special election
149 conducted in the manner provided by statute.

150 (ii) Notice of the election under Subsection (1)(c)(i) shall be given by the county, city,
151 or town governing body 15 days in advance in the manner prescribed by statute.

152 (2) If the majority of the voters voting in this election approve the proposal, it shall
153 become effective on the date provided by the county, city, or town governing body.

154 (3) (a) This section may not be construed to require an election in jurisdictions where
155 voters have previously approved a public transit sales or use tax.

156 (b) This section shall be construed to require an election to impose the sales and use
157 tax authorized by this section, including jurisdictions where the voters have previously
158 approved the sales and use tax authorized by Section 59-12-501, but this section may not be
159 construed to affect the sales and use tax authorized by Section 59-12-501.

160 (4) No public funds shall be spent to promote the required election.

161 (5) (a) Notwithstanding the designated use of revenues in Subsection (1), of the
162 revenues generated by the tax imposed under this section by any county of the first class:

163 (i) 75% shall be allocated to fund a fixed guideway and expanded public transportation
164 system; and

165 (ii) except as provided in Subsection (5)(b), 25% shall be allocated to fund new
166 construction, major renovations, and improvements to Interstate 15 and state highways within
167 the county and to pay any debt service and bond issuance costs related to those projects.

168 (b) Notwithstanding the designated use of revenues in Subsection (1), beginning on
169 July 1, 2006, and ending on July 1, 2007, a county of the first class may expend an amount not
170 to exceed \$3,500,000 of the revenues described in Subsection (5)(a)(ii) for expenses relating to
171 reconfiguring railroad curves within that county to reduce rail congestion.

172 (6) A county of the first class may, through an interlocal agreement, authorize the
173 deposit or transfer of the portion of the revenues described in Subsection (5)(a)(ii) to the Public
174 Transportation System Tax Highway Fund created in Section 72-2-121.

175 (7) Revenues from a sales and use tax imposed under this section that are pledged
176 before April 20, 2007 to pay for bonded indebtedness may not be paid to or used by a later
177 created public transit district that includes within its boundaries the same area as the county,
178 city, or town that has imposed a sales and use tax under this section.

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Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
